

Financial Results Call Presentation

First Quarter of 2022



American States
Water Company

May 3, 2022

NYSE: AWR

Today's Presenters

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President & CEO



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Forward-Looking Statement

Certain matters discussed during this conference call may be forward-looking statements intended to qualify for the “safe harbor” from liability established by the Private Securities Litigation Reform Act of 1995. Please review a description of the company’s risks and uncertainties in our most recent Form 10-K and Form 10-Q on file with the Securities and Exchange Commission (SEC).

Non-GAAP Financial Measures

- This conference call includes a discussion of certain measures that are not prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States, and constitute "non-GAAP financial measures" under SEC rules. These non-GAAP financial measures are derived from consolidated financial information but are not presented in our financial statements that are prepared in accordance with GAAP.
- The non-GAAP financial measures discussed in this conference call include a discussion of diluted earnings per share by business segment. Furthermore, the gains and losses generated on the investments held to fund one of the company's retirement plans during the three-month periods ended March 31, 2022 and 2021 have been excluded when communicating the results to help facilitate comparisons of the company's performance from period to period.
- These non-GAAP financial measures supplement our GAAP disclosures and should not be considered as alternatives to the GAAP measures. Furthermore, the non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures of other registrants. The company uses these non-GAAP measures in evaluating its operating results and believes these measures are useful internal benchmarks in evaluating the performance of its operating segments. The company reviews these measures regularly and compares them to historical periods and to the operating budget. The computations and reconciliations of non-GAAP measures to the most directly comparable GAAP measures are provided in this presentation.

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Q1 2022 Summary

- Earnings per share:
 - Q1 2022 \$0.38 per share
 - Q1 2021 \$0.52 per share
 - Due to the delay in receiving a CPUC final decision on the pending water general rate case of GSWC, water revenues billed and recorded for the first quarter of 2022 were based on 2021 adopted rates
- Continued to deliver high quality water, wastewater and electric service to customers during the quarter. On pace to spend \$140-\$160 million this year in infrastructure investments at our regulated utilities
- Awaiting a decision from the CPUC for GSWC's general rate case and are actively involved processing our cost of capital application, both of which will be effective retroactive to January 1, 2022
- Chris Connor, New Senior Vice President at American States Utility Services, Inc., previously at Jacobs Engineering

Q1 Diluted EPS by Segment



| | Q1 2022 | Q1 2021 | Variance |
|--------------------------------------|---------|---------|----------|
| Water | \$0.23 | \$0.33 | (\$0.10) |
| Electric | 0.07 | 0.07 | — |
| Contracted Services | 0.08 | 0.12 | (0.04) |
| Consolidated EPS, as reported | \$0.38* | \$0.52 | (\$0.14) |

* Water revenues billed and recorded for the first quarter of 2022 were based on 2021 adopted rates, pending a CPUC final decision on GSWC's general rate case. Had new 2022 rates been implemented as of January 1, 2022 and based on the November 2021 settlement agreement between GSWC and Public Advocates, GSWC would have recorded additional revenues of \$6.3 million, or \$0.12 per share, and recorded additional water supply costs of \$1.6 million, or \$0.03 per share. Including these additional revenues and water supply costs, consolidated adjusted diluted earnings for the first quarter of 2022 were \$0.47 per share.

Q1 Operating Revenues by Segment



| (amounts in millions) | Q1 2022 | Q1 2021 | Variance |
|-----------------------------------|---------|---------|----------|
| Water* | \$73.9 | \$75.0 | (\$1.1) |
| Electric* | 11.9 | 11.5 | 0.4 |
| Contracted Services | 22.8 | 30.5 | (7.7) |
| Total Operating Revenues** | \$108.6 | \$117.1 | (\$8.5) |

* Includes billed surcharges to collect previously incurred costs, and offset by corresponding increases in operating expenses, resulting in no material impact to earnings

** Line item does not total due to rounding

Q1 Operating Expenses*

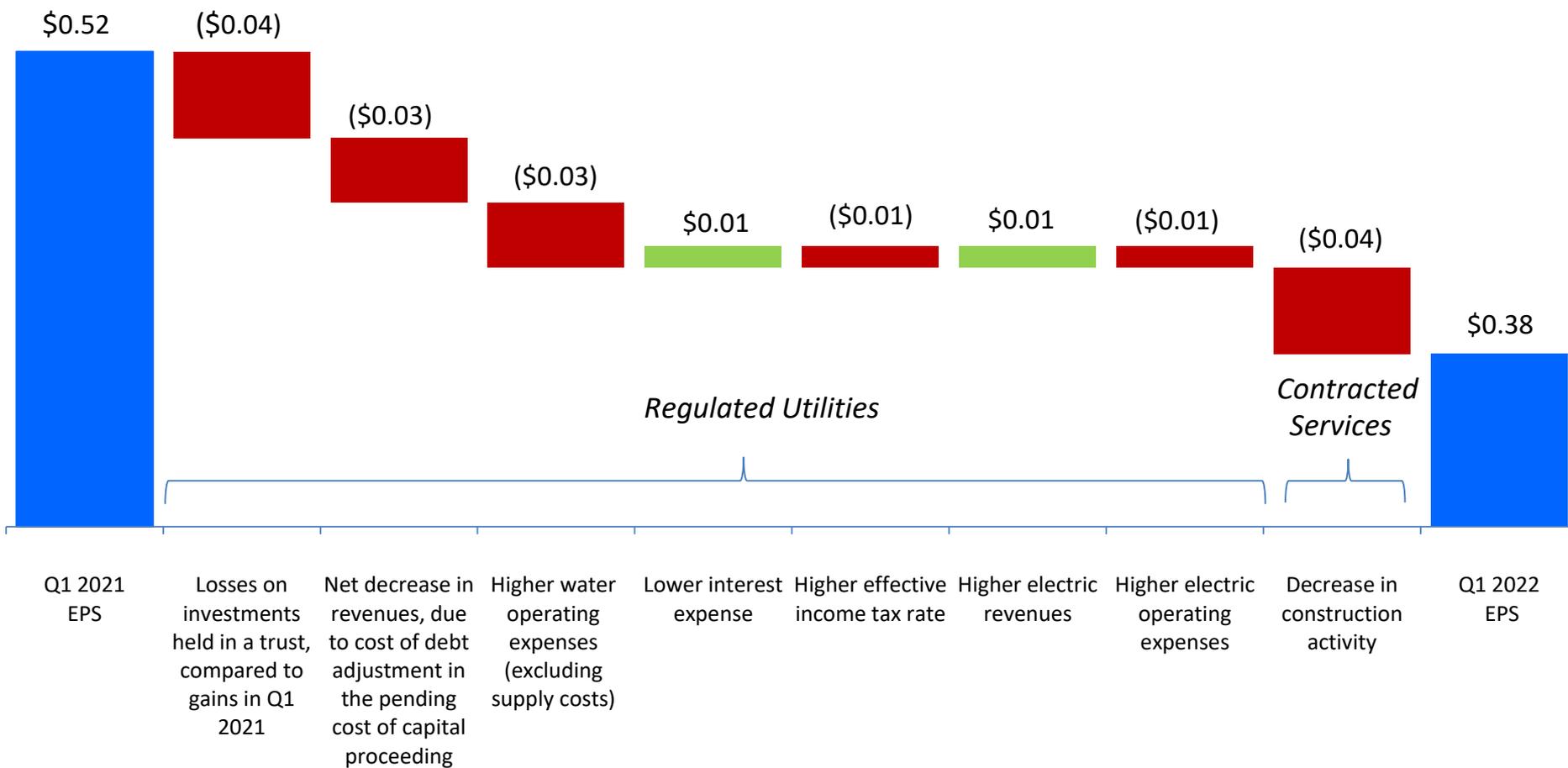


| (amounts in millions) | Q1 2022 | Q1 2021 | Variance |
|-----------------------------------|---------------|---------------|----------------|
| Water and Electric Supply Costs | \$23.3 | \$22.6 | \$0.7 |
| Other Operation | 8.7 | 8.2 | 0.5 |
| Administrative and General | 23.0 | 22.1 | 0.9 |
| Depreciation and Amortization | 10.1 | 9.6 | 0.5 |
| Maintenance | 3.1 | 2.7 | 0.4 |
| Property and Other Taxes | 5.9 | 5.9 | — |
| ASUS Construction | 10.2 | 15.7 | (5.5) |
| Total Operating Expenses** | \$84.2 | \$86.7 | (\$2.5) |

* Includes operating expenses of \$576,000 and \$736,000 for Q1 2022 and Q1 2021, respectively, for billed surcharges to collect previously incurred costs, resulting in no material impact to earnings

** Line item does not total due to rounding

EPS Bridge Q1 2021 to Q1 2022



- Operating cash flows were \$38.0 million for Q1 2022, as compared to \$24.7 million for Q1 2021
 - ✓ During Q1 2022 GSWC and BVESI received COVID relief funds from state of CA totaling \$9.5 million and \$351,000, respectively
- Regulated utilities invested \$35.5 million on company-funded capital work during the first quarter of 2022:
 - ✓ Capital expenditures for 2022 are expected to be \$140-\$160 million for our regulated utilities, barring delays due to supply chain issues or the effects of the COVID-19 pandemic
- In April 2022, AWR amended its credit facility, increasing the borrowing capacity from \$200 million to \$280 million to support GSWC's capital expenditures
- Credit ratings:
 - ✓ S&P: A+ credit rating for both AWR and GSWC, with negative outlook
 - ✓ Moody's: A2 rating with a stable outlook on GSWC

Key Factors Impacting Q1 Results

- Had 2022 water rates been approved consistent with the settlement agreement and implemented on January 1, 2022, Golden State Water's earnings contribution for the quarter would have been \$0.09 per share higher. Once a final decision is issued by the CPUC in the general rate case, the new rates will be retroactive to January 1, 2022. We view this as a timing difference for the year.
- Water revenues were adjusted to reflect the lower cost of debt in Golden State Water's pending cost of capital application, which decreased the quarterly earnings by \$0.03 per share.
- The investment loss of \$0.03 per share on one of our retirement plans negatively impacted earnings by \$0.04 as compared to last year's first quarter.
- ASUS is expected to catch up on its construction activity during the remaining three quarters, and the company reaffirms its projection that ASUS will contribute \$0.45 - \$0.49 per share for 2022.

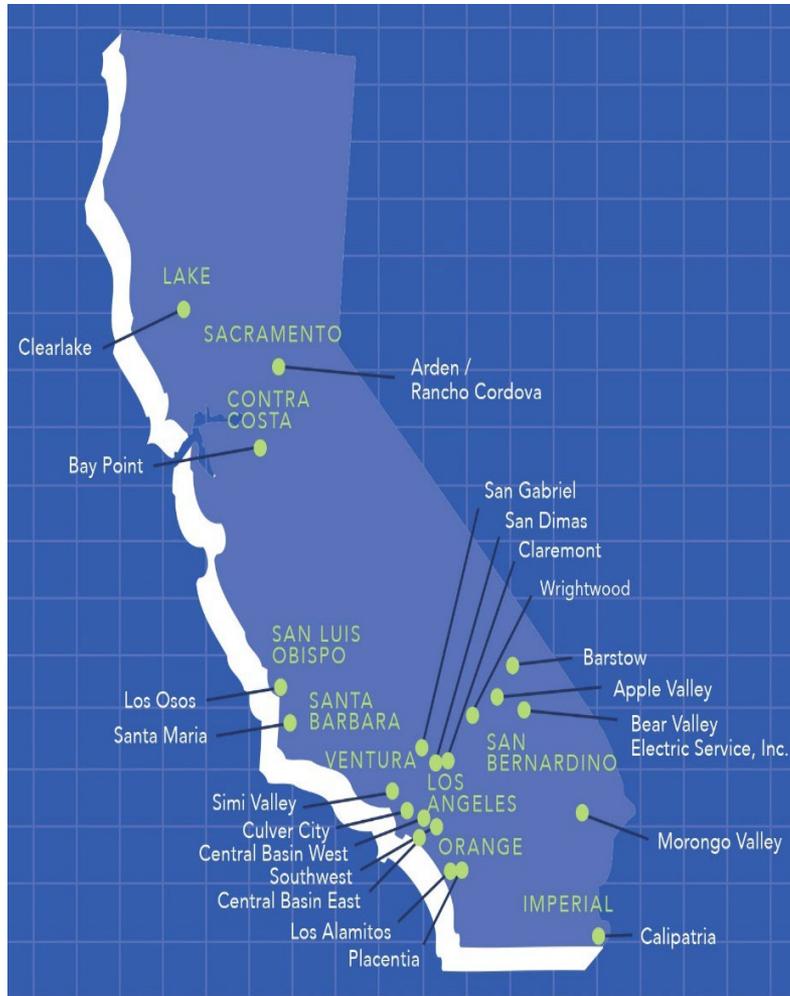
Regulatory Activity

- ✓ In November 2021, a settlement was reached on all but three of the items in the general rate case application filed in 2020 for new water rates for the years 2022, 2023 and 2024. If approved, the settlement would:
 - Authorize \$404.8 million in capital infrastructure over the 3-year period
 - Increase the 2022 adopted revenues by ~ \$30.3 million, and increase the 2022 adopted supply costs by \$9.7 million as compared to the 2021 adopted levels
- ✓ A proposed decision is expected in mid-2022. A final decision, once issued, will be effective retroactive to January 1, 2022
- ✓ Completed \$9.4 million of capital projects from the prior rate case recently approved by the CPUC for revenue recovery through advice letters also included in the pending general rate case



Regulated Utilities - Customer Service Areas

Regulatory Activity (Continued)



Regulated Utilities - Customer Service Areas

- ✓ In May 2021, GSWC filed its cost of capital application, requesting:
 - a capital structure of 57% equity and 43% debt
 - a return on equity of 10.5%
 - an embedded cost of debt of 5.1%
 - a return on rate base of 8.18%.

Will be effective for the years 2022—2024. Once approved by the CPUC, the revenues will be reset based on the new cost of capital, which should be retroactive to January 1, 2022. In Q1 2022, we recorded a reduction to revenues of \$1.4 million, or \$0.03 per share, to reflect the estimated revenue impact of a lower cost of debt of 5.1% as requested, compared to 6.6% included in 2021 rates currently being billed to water customers. Proposed decision expected in the second half of 2022

- ✓ BVESI will file a general rate case in June 2022 to set new rates for the years 2023—2026

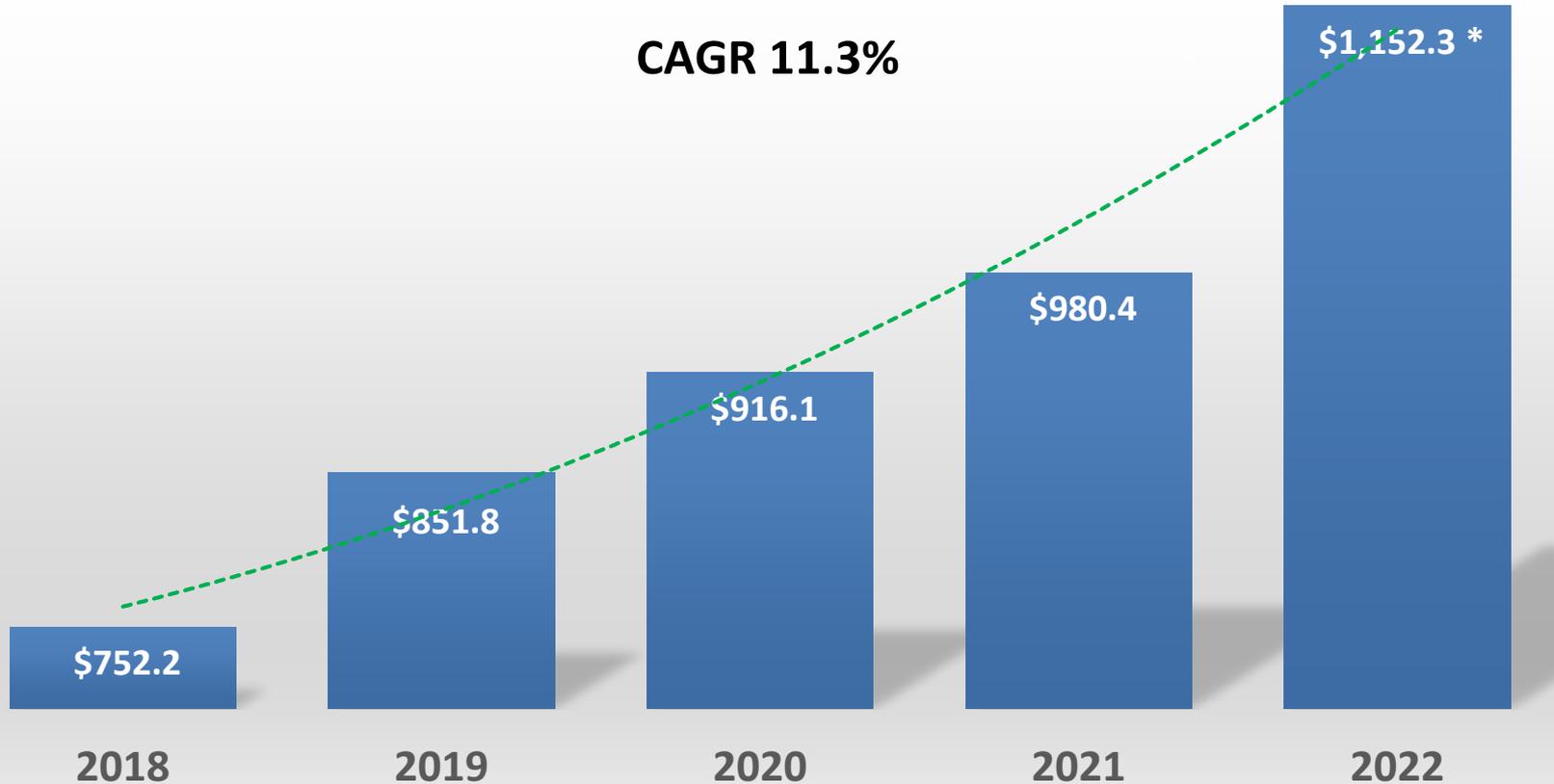
California Drought

- As of April 26, 2022, the U.S. Drought Monitor reported that 41% of California was considered in "Extreme Drought"
- California is experiencing a record drought in 2022 with precipitation from January to March as the driest on record for this three-month period. Due to deteriorating conditions, DWR reduced the allocation of SWP water from 15% to 5% on March 18, 2022
- On April 26, 2022, MWD declared a Water Supply Emergency Condition for the SWP dependent areas which will impact GSWC's Simi Valley and Claremont service areas which utilize a portion of their supply from the SWP. This action also includes a phased Emergency Conservation Program that limits outdoor watering in those areas to one day per week. Should necessary demand reductions not be realized, MWD will move to zero outdoor watering days later in the summer. In addition, on March 28, 2022 the governor of California issued an executive order calling on all urban water suppliers to reduce water use by 20-30 percent. GSWC will be working with its local suppliers to assess water supply conditions and water-use restrictions in its service areas and intends to make appropriate adjustments as needed
- In 2021, the CPUC authorized GSWC to track incremental drought-related costs in a memorandum account for future recovery

Adopted Average Water Rate Base

(in millions)

CAGR 11.3%



* Based on settlement agreement, does not include approximately \$9.4 million in advice letter projects

Contracted Services (ASUS)

- Earnings for first quarter of 2022 were \$0.08 per share as compared to \$0.12 per share in Q1 2021, largely due to timing differences in construction activity between the two periods, partially offset by increased management fees and lower overall operating expenses
- ASUS is projected to contribute \$0.45 - \$0.49 per share in 2022
- The completion of filings for economic price adjustments, requests for equitable adjustment, asset transfers and contract modifications awarded for new projects provide ASUS with additional revenues and dollar margin
- Confident that we can effectively compete for new military base contract awards in the future, based on our strong history and expertise

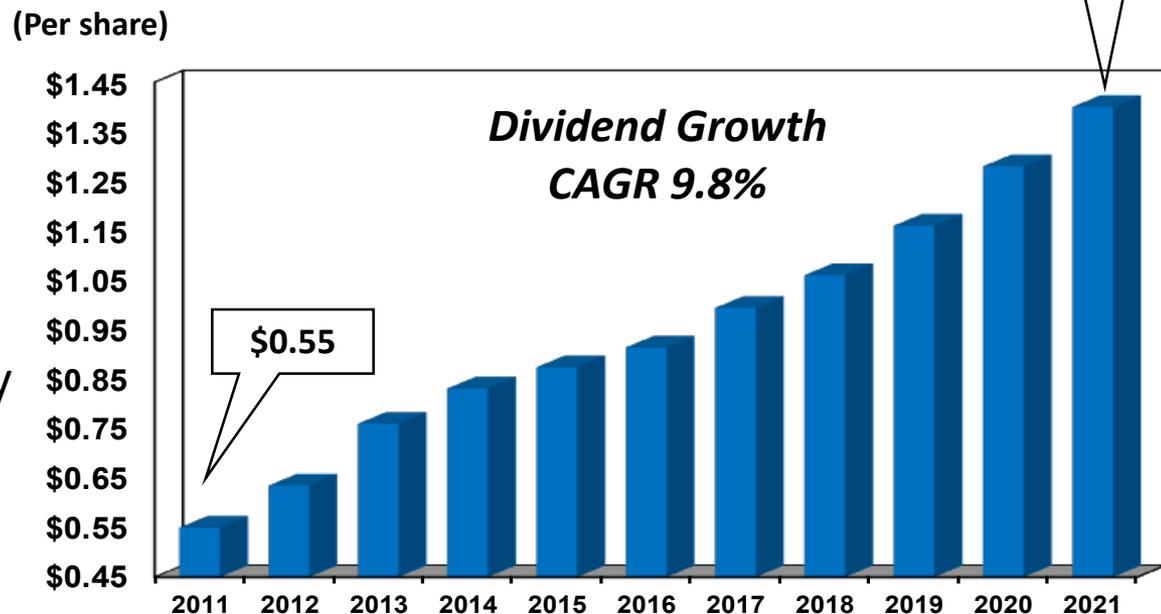


Serving Those Who Serve®

Dividends

- Board of Directors recently approved a second quarter dividend of \$0.365 per share
- In 2021 the Board of Directors increased the annual dividend per share by 9%, from \$1.34 per share to \$1.46 per share
- Quarterly dividend has grown at a CAGR of 9% over the last five years, and nearly 10% over the last ten years

- Dividend policy:
More than 7% CAGR
over the long term
- Dividends paid every year since 1931
- Increased the dividend every calendar year for
67 consecutive years



Questions and Answers

Computations and Reconciliations of Non-GAAP Financial Measure



- Below are the computations and reconciliations of diluted earnings per share from the measure of operating income by business segment to AWR's consolidated diluted earnings per share for the three months ended March 31, 2022 and 2021:

| In 000's except per share amounts | Water | | Electric | | Contracted Services | | AWR (Parent) | | Consolidated (GAAP) | |
|---|-----------|-----------|----------|----------|---------------------|----------|--------------|----------|---------------------|-----------|
| | Q1 2022 | Q1 2021 | Q1 2022 | Q1 2021 | Q1 2022 | Q1 2021 | Q1 2022 | Q1 2021 | Q1 2022 | Q1 2021 |
| Operating income | \$ 16,999 | \$ 21,059 | \$ 3,598 | \$ 3,448 | \$ 3,770 | \$ 5,824 | \$ (2) | \$ (2) | \$ 24,365 | \$ 30,329 |
| Other income and expense | 5,743 | 5,060 | (30) | 40 | (171) | (188) | 200 | 235 | 5,742 | 5,147 |
| Income tax expense (benefit) | 2,689 | 3,768 | 952 | 884 | 944 | 1,391 | (124) | (129) | 4,461 | 5,914 |
| Net income | \$ 8,567 | \$ 12,231 | \$ 2,676 | \$ 2,524 | \$ 2,997 | \$ 4,621 | \$ (78) | \$ (108) | \$ 14,162 | \$ 19,268 |
| Weighted Average Number of Diluted Shares | 37,019 | 36,993 | 37,019 | 36,993 | 37,019 | 36,993 | 37,019 | 36,993 | 37,019 | 36,993 |
| Diluted earnings per share | \$ 0.23 | \$ 0.33 | \$ 0.07 | \$ 0.07 | \$ 0.08 | \$ 0.12 | \$ — | \$ — | \$ 0.38 | \$ 0.52 |